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A Summary of Current Programs 9/30/64

and Preliminary Report of Progress

for 10/1/63 to 9/30/64

FOREIGN REGIONAL ANALYSIS DIVISION

of the

ECONOMIC RESEARCH SERVICE

UNITED STATES DEPARTMENT OF AGRICULTURE

and related work of the

STATE AGRICULTURAL EXPERIMENT STATIONS

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CURRENT SERIAL RECORDS

This progress report of U.S.D.A. research is primarily a tool for use of scientists and administrators in program coordination, development and evaluation; and for use of advisory committees in program review and development of recommendations for future research programs.

The summaries of research progress include a brief description of the work performed by foreign research institutions under direction of the Division with Section 104(a) of Title I, P.L. 480 funds, and contractual work performed for the Division by Land-Grant Universities and other institutions or persons.

The summaries of progress on U.S.D.A. and research-contractor activities include some tentative results that cannot be confirmed until the research has further progressed. Such findings, when adequately confirmed will be released promptly through established channels. Because of this, the report is not intended for publication and should not be referred to in literature citations. Copies are distributed only to members of Department staff, advisory committee members and others having a special interest in the development of public agricultural research programs.

This report also includes a list of publications reporting results of U.S.D.A. and cooperative research issued between October 1, 1963 and September 30, 1964. This progress report was compiled in the Foreign Regional Analysis Division, Economic Research Service, U.S. Department of Agriculture, Washington, D.C. 20250

UNITED STATES DEPARTMENT OF AGRICULTURE
Washington, D. C.
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INTRODUCTION

The Foreign Regional Analysis Division is one of two research divisions of the Economic Research Service which works in the foreign field. Its function, through basic and applied research, is to analyze effects of world, regional, and country developments and trends in agricultural production, consumption, and trade to disclose opportunities for developing new markets and maintaining and expanding existing markets for U.S. farm products.

The regular work of the Division involves a Washington staff of 42 professional economists who perform economic and statistical analysis work in Washington, travel abroad and gather data not available through other channels, and who plan, negotiate, and direct the execution of research contracts, most of which are with foreign-research institutions. The research covers the following three areas: 1) long-range outlook for U.S. farm exports; 2) foreign competition and demand by country and region; and 3) quantitative evaluation of foreign production, utilization and trade in farm products.

PROGRAM SUMMARY

Long-range outlook for U.S. farm exports. The analysis work on the long-range outlook for U.S. farm exports is divided into three parts, (a) the world food budget, (b) projections of exports of leading U.S. agricultural commodities, and (c) long-term projections of foreign supply and demand by country and region.

Research in the area of the world food budget was undertaken in 1961 at the request of a White House task force. The first report was published in October 1961. This study was updated to 1968 and has been completely revised in the past year with projections to 1970. These studies provide a comprehensive summary of world food needs and help guide U.S. agricultural operations, including export activities under the Food for Peace program.

Annually, exports of U.S. agricultural commodities are projected for 5 years ahead, as part of an ERS study on demand, price and income projections for U.S. agriculture. Projections are made by major commodities, value and quantity, to our major markets and for all commodities to all foreign markets.

Foreign supply and demand studies are completed or underway in 29 countries that are important or potential export markets for U.S. farm products. Funds are available for three additional studies. This will complete the country studies but major country studies will need to be kept up-to-date as substantial changes occur in the supply and demand conditions in each country. Plans are being made for updating previous studies in the United Kingdom, Italy, Nigeria, and India. Also, these studies will be interpreted

to give projections by region and for the world. A major step in the work involves an analysis of country studies to assess the effect of the long-range trends on prospective U.S. exports.

Foreign competition and demand, by country and region. This work involves study and evaluation of developments in the economies of foreign countries, as they affect demand and competition in markets for farm products.

There is a continued growing volume of requests for information on foreign competition and demand and the implications for U.S. agricultural exports. The farm organizations, the farm press, marketing organizations, agricultural export interests, and government agencies seek data on the opportunities for developing new markets abroad and for maintaining and expanding existing foreign markets, and the nature of competition to be encountered in these markets.

Included are: (a) appraisal of the current food and agricultural situation in major importing and exporting countries; (b) evaluation of government measures taken to protect domestic agriculture from imports, to support prices, and to maintain incomes of agricultural producers in foreign countries; (c) analysis of opportunities for U.S. agriculture in foreign markets associated with changes in agricultural productivity and cost-price relationships, increased public and private investment in agriculture, progress in the application of improved farming techniques, changes in the agrarian structure, and improvements in market organization and practices; and (d) assessment of the competitive position of U.S. farm products in foreign markets, including evaluation of the effectiveness of U.S. market development and promotion projects.

Two studies have a world-wide coverage. One is a world agricultural situation report published annually in early January. This is supplemented by 5 regional situation publications. The other is a report on agricultural policies of foreign governments, published at 5-year intervals. The most recent was published in March 1964. Other research on competition and demand is organized and carried out by 5 regional branches. Studies are made of the situation in respective countries or specific areas of foreign competition and demand, with extensive visits to the areas and markets to collect the required data. The findings are published as separate foreign agricultural economic reports and as articles on regions and countries.

There is close cooperation between the Foreign Regional Analysis Division and the Development and Trade Analysis Division, and between ERS and FAS in this area to preclude duplication or overlapping of work. The work of this Division involves the making of analyses by country or commodity, while that of DTA involves the economic analysis of a given problem,

regardless of country or commodity. The work of the Foreign Regional Analysis Division involves longer-term comparisons and analyses in greater depth than studies carried out in FAS for current operational purposes. ERS utilizes services of Land-Grant Colleges and Universities and other economic and marketing research organizations or individuals to perform portions of the research on the: (1) effectiveness of U.S. market development and promotion projects in foreign countries; (2) market potential in certain countries; and (3) opportunities and problems for U.S. farm exports resulting from common market developments in Western Europe and other areas. P.L. 480 funds are used to cover travel and other costs abroad. Some foreign market appraisal work performed in the U.S. (about 1 man-year in FY 1964) has been contracted for with agricultural colleges or other institutions.

Quantitative evaluation of foreign production, utilization and trade in farm products. This continuing work project provides the basic data for improving the quality of foreign agricultural production, consumption, and trade statistics. Its function is to: (a) construct annual food and agricultural production indices by country, region, and for the world; (b) construct food balances, bringing together in one table for each country data on available food supplies and their utilization by categories; and (c) compile and analyze data on agricultural trade in geographic areas where trade statistics are of special significance to U.S. export prospects, or where official data are inadequate and to promote uniformity and comparability in tables of trade statistics for foreign countries used in publications of the Division.

Statistics for many countries are incomplete, inconsistent, or otherwise unreliable. Critical analyses are, therefore, made of data currently available, and appropriate measures are taken with foreign countries to broaden the coverage and improve the quality of data needed by U.S. exporters of farm products, for foreign policy formulation, and for administration of U.S. Government export and foreign aid programs. Foreign market research studies in certain underdeveloped countries are being undertaken for the purpose of improving the basic data needed for market development.

Related research work for other Federal agencies. The Foreign Regional Analysis Division is reimbursed or receives advances for research work done for the: Central Intelligence Agency, Agency for International Development, and Foreign Agricultural Service.

For CIA the Division prepares annually 8 major monographs on the agricultural resources, production, consumption, trade and institutions of selected countries. The equivalent of 10 professional employees devote full time to CIA work. The work on veterinary medicine and animal diseases was terminated last year.

For AID the Division prepares annually certain index numbers of production and renders certain technical and consultative services to which are devoted in total 3 professional man-years. The Division has recently completed special production indices, in connection with a productivity study which the Development and Trade Analysis Division is doing for AID. This work involved 2 professional man-years.

The advances from FAS are used by the Division for foreign travel to supervise and otherwise administer the research contracts in foreign countries financed under Section 104(a) of Title I, P.L. 480.

AREA NO. 1 - LONG-RANGE OUTLOOK FOR U.S. FARM EXPORTS

Problem. Since United States agricultural output is greatly in excess of domestic needs, new export possibilities for farm products have become increasingly important to the agricultural industry and the national economy. Developments in the areas of production technology and management indicate that U.S. farmers will continue for the foreseeable future to produce increasing quantities and a widening range of products for export.

Knowledge of demand-supply trends and new opportunities for U.S. farm exports, arising from economic changes in both the more advanced and the developing countries, is essential if the United States is to develop its farm exports to the fullest extent consistent with the economic utilization of U.S. agricultural resources.

Record exports of U.S. farm products valued at more than \$6.1 billion in FY 1964, contribute substantially to the income of U.S. agriculture and industries engaged in processing and merchandizing farm products. They are also an important element in foreign exchange earnings and, therefore, in the vital balance of payments situation of the United States.

USDA PROGRAM

The Department has a long-term program for projecting the future foreign supply, demand, and trade of selected farm products. The total program involves 17 professional man-years annually in the Department of Agriculture to perform economic research in Washington and also to develop and supervise research programs abroad performed by research institutes on a contract basis under Section 104(a) of Title I of P.L. 480.

The first part of the program is the development of a world food budget, which measures the requirement for food in the future against the availability of food. Research on the world food budget was initiated in February 1961 at the request of the Secretary of Agriculture, as the first step in a program to expand consumption of agricultural products abroad and to help provide an adequate diet for the world's people. This research provides a comprehensive summary of world food needs and helps to guide U.S. agricultural operations, including export activities under the Food for Peace program. It highlights the opportunity for using food abundance in helping build self-sustaining economies in less developed countries. It is also helpful in planning market development programs to expand commercial markets for U.S. farm products.

Work involved in the second part of the program is the annual projection of exports of leading U.S. agricultural commodities by quantity and value. This work is related to that of economic analysts in the Department working on U.S. agricultural output and availabilities for export. Together they

provide the long-range outlook for U.S. farm commodities. This work includes projections based upon various assumptions as to prices of leading U.S. products in the world market. It is entirely performed in Washington by the Department of Agriculture with departmental personnel.

Work in the third part deals with long-term projections of foreign supply and demand. This involves contracting with competent research organizations for comprehensive country studies to analyze and project ahead to 1970 and 1975 the import demand or export availability of agricultural products which are important U.S. export commodities. The Division plans and supervises the studies, reviews and analyzes the results, and interprets the findings for U.S. agriculture. Preparations are underway for combining the results of these country studies into projections for major regions and for the world. The actual performance of the research within foreign countries is carried out by research-contractors who are paid with foreign currency generated from exports under Title I of P.L. 480. Country supply and demand contract studies underway during this reporting period involved 70 professional man-years.

PROGRAM OF THE STATE AGRICULTURAL EXPERIMENT STATIONS

The State experiment stations depend considerably upon the USDA for the statistics needed for their foreign market research. Also they find agricultural attache reports and special reports very useful.

There are three state projects that are particularly addressed to the outlook for farm exports. One project seeks to relate variations in the volume of farm exports to the level of economic activity at home and abroad and to analyze by principal countries the factors such as trade barriers, economic growth, political union, and domestic policies which hinder or encourage the expansion of commercial exports. In addition it seeks to develop and suggest alternative means by which foreign markets can be stabilized and expanded.

The second state study is of a very basic nature and will attempt to provide United States exporters with data that will enable them to measure and predict foreign demand both on a world and country-by-country basis. Its first phase will be quantification and analysis of all the factors affecting international prices for East Coast farm export products. Another phase will include an analysis of the institutional barriers to United States exports and an analysis of competing countries' methods in developing export markets.

The third project deals with the market potential for U.S. tobacco in Egypt. In addition to an analysis of trade statistics, interviews will be held with key tobacco firms in Egypt and an effort will be made to conduct a consumer preference test with the various blends possible with American tobacco.

Approximately 1.5 professional man-years are being devoted to this research area.

PROGRESS IN USDA AND FOREIGN RESEARCH CONTRACTORS' PROGRAMS

I. The World Food Budget

A. The World Food Budget, 1970 - This report--to be published October 15, 1964--presents the results of an expanded effort to study the supply and utilization of food commodities for the countries of the world, assess world food needs, and evaluate the problems and possibilities of closing the food gap. A comprehensive analysis was made of the food situation in 92 countries during 1959-61 and projections were made to 1970.

Two-thirds of the world's people live in countries with nutritionally inadequate national average diets. Value of consumption is expected to improve 13 percent per capita during the 1960's, but a calorie deficit will still exist in 1970 equal to 54 million metric tons of grain, an animal protein deficit equal to 6.5 million tons of nonfat dry milk, a pulse deficit equal to 3 million tons of soygrits, and a fat deficit equal to 3 million tons of vegetable oil. The value of the deficit will be \$6.8 billion; about 93 percent of it in the Far East.

B. Preconditions, Potentials, and Problems of Increasing Food Output in Less Developed Countries - This study is a sequel to "Man, Land and Food." It attempts to ascertain the preconditions for a yield takeoff (sustained annual increase in cereal yields of at least 1 percent). These preconditions are found to be a literate farming population, substantial prior growth in per capita income, a market oriented agriculture, and a substantial supporting cast (industrialization and research). Adequate price incentives and a fair division of the farm product, where tenancy prevails, are also found to be essential.

II. Projections of U.S. Agricultural Exports

Several projections of U.S. agricultural exports have been done in answer to specific requests. In 1962, ERS embarked on an annual program to project for 5 years ahead the domestic demand for farm products, international trade, farm outlook and resource use, supply-demand balance and stocks, farm prices and farmers income. This Division is responsible for the international trade projections in the project.

In connection with The World Food Budget, 1970, projections were made for U.S. exports of major food commodities or groups of commodities to 18 regions of destination. These indicate that U.S. food exports will increase about 50 percent during the decade of the 1960's. Important gains will be realized in grains; soybeans and soybean oil; fruit, including processed fruit; poultry and other meat; and nonfat dry milk.

III. Long-term Projections of Supply and Demand

Utilizing Section 104(a), Title I, P.L. 480 funds, the basic country studies are carried out under contract by research organizations that command the requisite facilities and familiarity with the problems to be studied, usually an organization in the country itself. Negotiation of the contract includes agreement on a Plan of Work which becomes an integral part of the contract and aids in keeping the various country studies in line with the general framework previously developed. Required progress reports are reviewed and analyzed. Consultations on problems are held from time to time with research workers in the contracting agency. Cost of the studies varies widely, depending on the availability and reliability of data and the extent to which the data can be utilized for time series, cross-sectional and other projectional analysis. Time involved with studies varies from 18 to 36 months.

Over the period of August 1958 to September 30, 1964, contracts have been signed for studies in 29 countries; 8 in Europe--the United Kingdom, Italy, West Germany, Netherlands, Austria, Spain, France, and Belgium; 7 in the Far East and Oceania--India, Philippines, Japan, Pakistan, Hong Kong, Malaysia, and Australia; 7 in Latin America--Brazil, Colombia, Chile, Venezuela, Mexico, Peru, and West Indies; and 7 in Africa and Western Asia--Nigeria, Ghana, Israel, Saudi Arabia, UAR (Egypt), Turkey, and Republic of South Africa. Three more studies are planned: Argentina, Canada, and Denmark. This will complete the individual country studies, except for updating in some of the major countries. Preparations are already under way for combining the results of these country studies into projections for the major regions and for the world.

Eight studies have been published, two more have been completed and are in the process of publication. As each of these reports is published, largely as submitted by the contractor, another document is prepared by the Foreign Regional Analysis Division which summarizes and analyzes the results of the study and spells out the implications for U.S. agriculture.

A. Studies published: 10/1/63 to 9/30/64

1. Japan: Japanese Import Requirement: Projections of Agricultural Supply and Demand for 1965, 1970, and 1975. The study was made by the Institute for Agricultural Economic Research under the direction of Taizo Shinohara, Tokyo University, Tokyo, Japan. The report was published early in 1964.

Findings of the study indicate that the Japanese economy will continue to expand rapidly. The population will increase from 94 million in 1960 to 109 million by 1975. National per capita income will be more than double the 1960 level. Japan is expected to attain self-sufficiency in rice production. Tallow imports may decline slightly. Imports of other products of major interest to U.S. farmers including corn, and other feedgrains,

tobacco, oilseeds and dairy products are expected to increase sharply. Cotton and wheat imports will increase though at a slower pace.

2. Austria: Long-term Projections of Supply, Demand, and Trade of Agricultural Products in 1965 and 1975. The contractor was the Austrian Institute for Economic Research, Vienna, Austria, and the director was Dr. Franz Nemshak. The research was completed and the manuscript submitted in German in the latter part of 1961. It has since been translated into English and published.

The conclusions reached in this study are that Austria will become more self-sufficient in food production, but will become more dependent on imports of factors of production such as feed and fertilizer. Exports of livestock products will expand. Projected decrease in food imports will largely be offset by the projected increase in feed and other agricultural imports. However, significant increases in imports of citrus fruit, tobacco, vegetables, and poultry are projected.

3. Israel: Long-term Projections of Supply and Demand for Agricultural Products in Israel, Part I, General View and Summary. The contractor was the Falk Project for Economic Research in Israel, Jerusalem, Don Patinkin, Research Director. Final alterations to the report, particularly in the feedgrains section, were completed in August 1963. It was published in May 1964.

The contractor projects Israel's population by 1975 at 3,350,000, an average annual net growth of 3.9 percent. This includes expected immigration. National product of Israel is projected to increase at 8 percent per year from 1959 to 1965 and between 6 and 7 percent from 1965 to 1975. Growth in per capita disposable income is forecast at 3.9 percent per year. An increase in import requirements in 1975 over the 1960 level is projected for wheat, feedgrains, oilseeds, tobacco, and meat whereas Israel's exportable supplies of citrus will increase dramatically.

4. Italy: Long-term Projections of Supply of and Demand for Agricultural Products. The contractor was the National Institute of Agricultural Economics, Center for Agricultural Marketing Research, Rome, Italy. The research results were reported to the U.S.D.A., September 1962. The report was not in a form suitable for publication in its entirety, so a summary was published.

Italy's demand for farm products is expected to increase much faster than domestic production during the next decade. Import requirements for coarse grains, livestock products, fats and oils, and fibers are expected to increase substantially. Although the consumption of cereals and other starchy foods is expected to decline, total requirements of wheat are projected to rise due to the increase in population, and domestic production will not be sufficient to meet domestic requirements.

5. India: Activity I - Long-term Projections of the Supply of and Demand for Agricultural Products was published in 1962. An evaluation of this study indicated that the level of supply projections was overly optimistic. A cooperative project has been completed with Cornell University to study in greater depth some of the factors which resulted in these high projections. A report, Estimates of Change and Causes of Change in Foodgrains Production, India, 1949-50 to 1960-61 has been published.

B. Studies completed: 10/1/63 to 9/30/64

1. West Indies Federation "Area" and British Guiana: This report contains long-range projections of agricultural supply and demand for the old West Indies area and British Guiana. The contractor was the Institute of Social and Economic Research of the University College of the West Indies, Mona, Jamaica. The research leader was Dr. H. D. Huggins, the Director of the Institute. The report is now at the printers in Israel. (The findings of this study were reported in the last progress report.)

2. Ghana: Long-term Projections of Supply of and Demand for Agricultural Products. The contractor is the Department of Political Economy, University of Edinburgh, Edinburgh, Scotland, Research Director, Ian G. Steward. Review draft of the final report was received April 1964. Final alterations to the manuscript are being completed.

The contractor projects Ghana's population by 1975 at 10.3 million, an annual average growth rate of 2.9 percent. Per capita income is projected to increase from \$195 in 1960 to \$250 in 1970 and \$270 in 1975. A decrease in import requirements in 1975 over the 1962 level is projected for rice and tobacco and an increase for wheat, meat, and dairy products.

C. Studies in progress: Stage of completion 9/30/64

1. Venezuela: Long-range Projections of the Supply of and Demand for Agricultural Products. The contractor is the Consejo de Bienestar Rural, Caracas. Dr. Richardo Gonellas, Chief of Special Studies of the Organization is responsible for the study. The contract was signed in April 1962 and the study is about 90 percent completed.

2. Spain: Long-term Projections of the Supply of and Demand for Agricultural Products. The contractor is the Comision Nacional de Productividad Agricola, Madrid. Valentin Andres Alvarez is President of the Productivity and Agrarian Committee. The contract period began June 8, 1960, and the study is about 90 percent completed.

3. France: Long-term Projections of the Supply and Demand for Agricultural Products. The contractor is the Centre de Recherches et du Documentation sur la Consommation, Georges Rottier, secretary-general. The contract period began on June 12, 1961, and the study is about 85 percent completed.

4. Netherlands: Long-term Projections of the Supply of and Demand for Agricultural Products. The contractor is the Landbouw Economisch Inst., Professor N. A. Kraal, director. The contract period began June 26, 1962, and the research is about 80 percent completed.
5. Saudi Arabia: Long-term Projections of Supply of and Demand for Agricultural Products. The contractor is the Economic Research Institute, American University of Beirut, Beirut, Lebanon; Yusif A. Sayigh is research director. The contract period began January 1, 1963 and will run to December 31, 1964. Research work is about 75 percent completed.
6. Pakistan: Long-term Projections of Supply of and Demand for Agricultural Products. The contractor is the Social Sciences Research Center, Lahore. The research director is Muhammad Khalid Hayat Khan. The contract period began March 31, 1962. About 75 percent of the work has been completed.
7. Colombia: Long-term Projections of the Supply of and Demand for Agricultural Products. The contract is with the Universidad de Los Andes, Bogota. Dr. Jorge Ruiz, director of the Centro de Estudios Sobre Desarrollo Economico of the University is in charge. The contract period began November 28, 1960. The research is nearly completed.
8. Brazil: Long-term Projections of the Supply of and Demand for Agricultural Products. The contract is with the Getulio Vargas Foundation, Rio de Janeiro. The study is under the direction of Dr. Julian M. Chacel, head of the Agricultural Studies Center, Brazilian Institute of Economics of the Foundation. The contract was undertaken June 28, 1961. It is estimated that approximately two-thirds of the study has been completed.
9. Mexico: Long-term Projections of the Supply of and Demand for Agricultural Products. Two groups working jointly are involved as contractors in the agreement: The Ministry of Agriculture and Livestock, United Mexican States; and Banco de Mexico, S.A. Joint directors of the project are Sr. Ing. Emilo Alania Patino and Sr. Victor Urquidi, both of the Bank. The contract period began June 28, 1962. The study is two-thirds completed.
10. Malaysia: Long-term Projections of the Supply of and Demand for Agricultural Products. The contractor is the National Planning Association, Washington, D.C. The director is Dr. D. S. Paauw. The contract period began June 6, 1963, and extends until August 6, 1965. The research is about 60 percent completed.
11. Chile: Long-term Projections of the Supply of and Demand for Agricultural Products. The contractor is the Facultad de Ciencias Economicas y Sociales de la Universidad Catolica de Chile, Santiago. Mario Corbo of the Centro de Investigaciones Economica of the Facultad is in charge of the study. The contract period began May 9, 1962. The study is about 50 percent completed.

12. Peru: Long-term Projections of the Supply of and Demand for Agricultural Products. The contractor is the Universidad Agraria, Lima, Sr. Ing. Eduardo Watson C., is overall study director. The contract period is from December 1, 1962 through June 1, 1965. The research is about one-half completed.

13. West Germany: Long-term Projections of the Supply of and Demand for Agricultural Products. The contractor is the IFO-Institut fur Wirtschaftsforschung, Munich, Federal Republic of Germany, Professor Dr. Langelutke, chairman of the board of directors. The contract period began June 26, 1963 for a period of two years. The research is about 50 percent completed.

14. India: Activity II - was executed to determine the change in effective consumer demand for food and clothing as the result of investment in Indian economic development projects and the degree to which this change might affect the aggregate demand for selected agricultural commodities annually over the period of the Indian Third Five-Year Plan and by 1970. The contractor is the National Council of Applied Economic Research, New Delhi, India. Research director is P. S. Lokanathan. The contract period extends to June 30, 1965. About one-half of this work has been completed.

D. Research contracts negotiated: 10/1/63 to 9/30/64

1. Australia: Long-term Projections of the Supply of and Demand for Agricultural Products. Plans were made for this project and the negotiations carried out in 1964, resulting in the signing of a contract with Monash University, Melbourne, May 1964 that extends to December 31, 1965. This project places major emphasis on supply.

2. Belgium: Long-term Projections of Supply of and Demand for Agricultural Products. A research contract has been concluded with SESO, Studiecentrum voor Economisch en Sociaal Onderzoek, Antwerp, Dr. P. H. Vorenque is director. The contract period began June 15, 1964 for a period of two years.

3. Hong Kong: Long-term Projections of the Supply of and Demand for Agricultural Products. The contract was signed in June 1964 with the Chinese University, Hong Kong and is expected to extend until June 1966. This project places major emphasis on demand.

4. Turkey: Long-term Projections of Supply of and Demand for Agricultural Products. The contract was signed in June 1964 and is expected to run until June 1966. The contractor is Robert College of Istanbul, Turkey.

5. UAR (Egypt): Long-term Projections of Supply of and Demand for Agricultural Products. The contract was signed in June 1964 with the Ministry of Agriculture, United Arab Republic. It extends until June 1966.

6. Republic of South Africa: Long-term Projections of Supply of and Demand for Agricultural Products. The contract was signed in August 1964 with Arthur D. Little, Inc., Cambridge, Massachusetts. The research director is Maurice Sorenson and the project extends until June 1966.

E. Studies for which implications for U.S. agriculture have been analyzed.

The Division makes summaries and evaluations of the supply and demand studies as they are completed. Such summaries include analyses and assessments of the competitive position of selected U.S. farm products in the countries studied and the probability of maintaining or increasing U.S. exports to them. Summaries and evaluations have been published for the United Kingdom, Austria, Italy, and the Philippines. Those on Nigeria and India have been completed and are in the process of publication. Analyses are in progress for France, Japan, and Israel. Summaries are planned this fiscal year for Ghana and Spain.

PUBLICATIONS REPORTING RESULTS OF U.S.D.A. AND FOREIGN RESEARCH CONTRACTORS

Anderson, Wilhelm, Director, Foreign Regional Analysis Division, Economic Research Service. The World Food Budget, 1970, 1964. U.S. Dept. Agr. Foreign Agricultural Economic Report No. 19, 105 pages.

Bernitz, Alexander. Summary and Evaluation of Austria: Projected Level of Supply, Demand, and Trade of Agricultural Products in 1965 and 1975. (ERS-Foreign 62), 1963. U.S. Dept. Agr. ERS-Foreign 56, 44 pages.

Keefer, James F. Summary and Evaluation of the Philippines: Long-term Projection of Supply and Demand for Selected Agricultural Products (ERS-Foreign 34) with Implications for U.S. Exports, 1963. U.S. Dept. Agr. ERS-Foreign 58, 40 pages.

Lele, Uma J. and Mellor, John W. Estimates of Change and Causes of Change in Foodgrains Production, India, 1949-50 to 1960-61, 1964. Cornell International Agricultural Development Bulletin 2, Cornell University, Ithaca, New York. 43 pages.

Mundlak, Yair. Long-term Projections of Supply and Demand for Agricultural Products in Israel, 1964. U.S. Dept. Agr. Economic Research Service. 224 pages.

Nemschak, Franz, Director. Austria: Projected Level of Supply, Demand, and Trade of Agricultural Products in 1965 and 1975, 1964. U.S. Dept. Agr. ERS-Foreign 62, 322 pages.

Shinohara, Taizo, Director. Japanese Import Requirement: Projections of Agricultural Supply and Demand for 1965, 1970 and 1975, 1964. U.S. Dept. Agr. Economic Research Service. 254 pages.

Tsu, Sheldon and Koenig, Ernest. Italian Agriculture: Projections of Supply and Demand in 1965, 1970, and 1975, 1963. U.S. Dept. Agr. ERS-Foreign 68, 46 pages.

AREA NO. 2 - FOREIGN COMPETITION AND DEMAND BY COUNTRY AND REGION

Problem. In many foreign markets United States farm products are facing an intensified rate of change in the competition or demand situation that directly affect their sale. There is a continued growing volume of requests for information on foreign competition and demand arising from political and economic developments abroad. The problem is to provide an appraisal of developments by country and region in agriculture and in the overall economies of foreign countries in order that American farmers, agricultural export interests and governmental agencies may take advantage of opportunities for developing new and maintaining or expanding existing foreign markets for U.S. farm products.

USDA PROGRAM

In line with the need and growing volume of requests for information on foreign competition and demand, the USDA maintains a continuing program to obtain, appraise and disseminate information in this area. In the period covered, this work has required 16 professional man-years annually in Washington, and contracts for research averaging about 1 professional man-year annually.

This program includes: 1) appraisals of the current food and agricultural situation in more than 100 countries and the outlook for the demand for and supply of farm products in the year ahead; 2) evaluation of the trends and effects on competition and demand of government measures taken to protect agriculture and support prices and incomes of agricultural producers in more than 100 foreign countries, including measures taken or proposed by the European Economic Community or Common Market, the Latin American Free Trade Association, and other groups of countries moving toward economic integration or granting preferential treatment to each other; 3) analysis and interpretation of the opportunities and problems for U.S. agriculture associated with changing production and trade patterns in foreign markets and competitor countries, caused by changes in agricultural productivity and cost-price relationships resulting from increased public and private investment in agriculture, progress in the application of improved farming techniques, changes in the agrarian structure, and improvements in market organization and practice as well as changes in policy measures; 4) assessment of the competitive strengths and weaknesses of U.S. farm products in foreign markets as compared with products offered by farmers within that market and products available from other exporting countries, including evaluation of the effectiveness of market development and promotion projects; and 5) basic studies of the agricultural economies of foreign countries for use within the Department as background needed for judging a country's potential as a market for or competitor with U.S. agriculture, and also to supply other interested agencies, private organizations, and individuals with desired information on agriculture in foreign lands.

Economic research in the categories mentioned above is organized and carried out on a regional basis by 5 regional branches within the Foreign Regional Analysis Division, of the Economic Research Service, USDA. The branches develop their own regional programs of research peculiar to the general agricultural and economic situation of their regions. They maintain continuous review of the competition-demand situation in their regions and publish results of their research on a country and regional basis, and on specific aspects of competition and demand. While performing most of this research with their own personnel in Washington they also gather information first-hand from travel in foreign countries, and they contract for and direct the performance of the limited amount of competition and demand analytical work carried out on a grant basis with State and other universities.

In addition to their own regional research programs the regional branches annually contribute sections to the World Food Situation prepared for the USDA Outlook Conference; they contribute sections to the World Agricultural Situation published by the Department early in January of each year; beginning in 1963 they have prepared annual regional supplements to the World Agricultural Situation, and they prepared sections for a comprehensive report on world agricultural policy, which was published early in 1964.

A continuing function in regard to regional research is to provide service to other Federal agencies. Among these services are: 1) assistance to Foreign Agricultural Service commodity divisions in the analysis and interpretation of various regulations relating to trade in agricultural commodities; 2) preparation of policy memoranda and speeches on agricultural and trade policy, and production and utilization of agricultural commodities; 3) participation in the briefing of marketing specialists, and other operating governmental and non-official personnel traveling to and from foreign countries; and 4) service on intra- and inter-departmental committees established to consider trade agreements and advise on the economic feasibility of proposed changes in tariff rates or non-tariff regulations. In addition Branch personnel attend conferences and meetings involving their respective areas to describe and interpret U.S. agricultural trade policies and programs and to present U.S. positions.

A. Western Hemisphere

The Western Hemisphere Branch research program on competition and demand covers Canada, Mexico, Caribbean countries, Central America, South America, and dependent territories and departments of the Hemisphere. The region represents an important and growing market for U.S. agricultural exports and the largest source of U.S. agricultural imports. In addition, special related research is carried out on a reimbursable basis.

Continuing analysis of changes in the agricultural situation and policies of Western Hemisphere countries is carried on to evaluate the implications for U.S. agriculture. Basic studies are in progress or planned for

important countries and regions to appraise their potential for imports of agricultural commodities and to assess the competitive position of U.S. farm products in those markets.

Hemisphere trends and developments affecting U.S. agriculture include: Population growth for Latin America is the highest of any comparable region in the world, generally offsetting economic gains; declining per capita output of agricultural and livestock production for Latin America; increased agricultural trade; and accelerating efforts to increase economic growth and agricultural development and trade for Latin America, including the Alliance for Progress, the Latin American Free Trade Association, the Central American Free Trade Area, and international commodity agreements.

B. Western Europe

The West European Branch has a continuing program of economic research on competition and demand covering 16 West European countries. The program is concerned with the analysis of factors affecting the market for U.S. agricultural products in Western Europe or in third countries where Europe is a competitor. This area is a market for 40 percent of total U.S. agricultural exports and more than 50 percent of U.S. dollar agricultural exports.

Continuing analysis of the Common Market's agricultural policy, which is in process of both development and implementation, is carried on in order to assess its likely future impact on total imports of farm products and on the share of those imports which the United States may expect to achieve. This analysis is conducted in the context of an economic framework for analyses and projections for EEC agriculture.

To facilitate this work a project was initiated by the Branch, utilizing foreign currencies under 104 (a) of P.L. 430 and conducted under contract in Europe, which is a comprehensive survey of EEC studies completed or underway in foreign countries. This Branch also coordinates its research with work being done on the Common Market by the Development and Trade Analysis Division.

Country studies covering those nations not yet affiliated with the Common Market will be made to determine and measure the several variables and the overall change in the competitive position of United States farm products in their internal markets.

C. Eastern Europe

The East European Branch has a continuing program of research on the U.S.S.R. and other countries of Eastern Europe which are important to the U.S. both as competitors and in some recent years also as markets for agricultural products. Particular attention in the program is therefore given to changes in agricultural production and utilization.

Government policy has played a highly important role in East European agriculture and foreign trade, especially since the once predominantly peasant farming was largely collectivized (except in Poland and Yugoslavia) and foreign trade became a state monopoly. Much attention is, therefore, given in research studies to government policy as it affects agricultural production and trade, particularly the plans for expansion of output and exports.

The effects of technological developments on agricultural production are important in this region of rapid industrialization and are assessed in the research studies. While bread grains, feed grains, oilseeds, and cotton (in USSR) have continued to dominate the agricultural picture in the region, the livestock problem has been very much to the fore because of the recurrent shortages of animal products. Considerable attention, therefore, is devoted by the Branch to this problem. Plans for economic integration of the Soviet Bloc with other communist countries are continuously studied.

Research under way includes, in addition to contributions to the second world food budget and the 1965 agricultural situation, preparation of a comprehensive statistical agricultural handbook of Eastern Europe; a review of a decade of the Soviet new lands program; economics of the vegetable oils situation in the Soviet Union; the Soviet fertilizer program; the Polish grain problem, a survey of the agricultural economy of Bulgaria, and an analysis of Yugoslav agricultural statistics.

D. Africa and Middle East

The Africa and Middle East Branch conducts a continuing program of economic research on competition and demand for agricultural products in the whole of Africa and West Asia comprising together some 70 countries and territories. Continued surveillance is given to the patterns of production and trade to detect changes in them effected by political, social, and economic developments. United States exports of agricultural commodities to the area are rising.

Major studies are underway to analyze the significant changes in agricultural trade, to appraise the potential for imports of agricultural commodities, and to assess the competitive position of U.S. farm products in the North Africa and West Asia regions. Results will be published in two bulletins.

In the current program of basic economic research are Ethiopia, Iraq, the Arabian Peninsula, and East Africa. A bulletin on each of these will be published showing the effects of agricultural development on competition and demand for agricultural products. In addition, a project limited largely to demand research is determining income elasticities of demand for the United Arab Republic using a large Egyptian household budget survey.

E. Far East

The Far East Branch has a continuing program of economic research on competition and demand in the countries of the Far East, which contain over one-half

of the world's population. The region includes all of Asia east of Iran and south of the Soviet Union and reaches southeast to Australia and New Zealand.

The work program of the Branch in the area of competition and demand includes comprehensive studies analyzing trends and prospects for agricultural development, demand for food and other farm products, and agricultural trade in a specific country or subregion. These studies interpret changes in the economic and technical scene and in policies and programs affecting production, consumption, and trade in terms of problems or opportunities for U.S. exports.

The following are research projects currently underway: An appraisal of foreign competition and demand for U.S. farm products in the Japanese market; a study of the farm economy of North Vietnam; a basic study of Indonesia's agricultural economy, an analysis of the Southeast Asian rice bowl--agricultural conditions, changes and competition and crop production; and agricultural trade studies on Communist China.

F. World Agricultural Situation

This is a continuing Division project in which the current world food and agricultural situation and outlook for a year ahead is analyzed with respect to production, supply, trade, price trends and other economic factors. The situation is also appraised with respect to major farm commodities and by regions. An analysis entitled "The World Food Situation" is published annually in the Outlook issue of the National Food Situation and a report on the World Agricultural Situation is published in the first week of January each year.

G. Agricultural Policies of Foreign Countries

Evaluation on an inter-regional and world basis of government measures taken to protect agriculture and to support prices and incomes of agricultural producers is a continuing Division project. It includes publication in the USDA Handbook Series as the occasion requires of Agricultural Policies of Foreign Governments and preparation of special reports on implications of particular policies of foreign governments affecting the production, trade or utilization of farm products. Such reports may be prepared for administrative use or for publication and general dissemination among persons or groups with farming or trade interests.

PROGRAM OF THE STATE AGRICULTURAL EXPERIMENT STATIONS

The states occasionally conduct research on foreign competition involving commodities of special importance to the state. Three states presently have projects in this area. One project is concerned with competition from the Mexican West Coast in the production of vegetables. The study will determine the past and potential production trends in Mexico and costs of production there will be compared to domestic cost. Also, an effort will be made to

determine the extent to which the U.S. market is available to Mexico exporters. Because of the implications to American producers, foreign trade questions relating to foreign investment and development will be investigated.

Another state study is concerned with the effects of importation of meats and meat products. The study will describe and analyze the conditions surrounding the importation of meat and meat products into the United States, and will try especially hard to find the causes of the recent increase in imports. In a final phase the study will seek to determine the impact of the imports upon producers and consumers in the United States.

One study deals with supply-demand balances of Indian agriculture with special reference to United States export programs. It will estimate future changes in Indian demand for agricultural commodities, Indian domestic production, and the consequent extent and nature of Indian imports or exports of agricultural commodities. A subobjective of the project is to develop a conceptual framework for analysis of supply changes in the agricultural sector of low income countries.

Approximately 0.7 professional man-years are being devoted to this research area.

PROGRESS IN USDA AND COOPERATIVE PROGRAMS

A. Western Hemisphere

Regional studies completed include The 1964 Western Hemisphere Agricultural Situation and work is underway on notes on the agricultural economies both for countries and for islands and territories of the Western Hemisphere associated with United States and European nations. Increased agricultural production expected in the Western Hemisphere in 1963/64 will result in larger supplies available for consumption and trade. The region should continue as the world's major agricultural supplier with exports of most agricultural commodities approaching record levels in 1964. Some improvement in economic conditions, presaged by increased foreign exchange reserves and stabilization in many countries during 1963, is expected in 1964. Major developments, oriented to closer hemisphere economic cooperation, point to a long-range uptrend in agricultural production and trade with gradually improving economic conditions from which U.S. agriculture should benefit.

Country studies published or completed include Nicaragua, the French West Indies, Chile and Costa Rica. The United States supplies about half of Nicaragua's agricultural imports, the outlook being that this share will continue consisting mainly of flour and wheat, leaf tobacco, and dairy products. The French West Indies, although its chief trading partner is France, is a small but growing market for U.S. commodities with agricultural trade prospects improved for processed food, rice and other grains, kidney beans and mixed poultry feeds. Chile represents a growing market for U.S.

agricultural exports in spite of the country's continued economic difficulties with increases expected to continue over the next few years with the assistance of Food for Peace programs, principal commodities being wheat and flour, tobacco, dairy products, soybean oil, and rice. U.S. agricultural exports to Costa Rica have been maintained at about half of the country's agricultural imports, major items being wheat flour, other grains and preparations, poultry feeds, dairy products, leaf tobacco and lard. Studies are underway for Peru, Mexico, Brazil and Argentina.

Related reimbursable contract studies were carried out for the Agency for International Development for Brazil and Bolivia and indicated that both countries face considerable difficulties and uncertainties in agricultural development.

B. Western Europe

Three studies on competition and demand have been completed and published: (1) A comprehensive report on the agricultural situation in 1963/64 in West European countries, reviewing the general economic situation, agricultural production, policy, inputs, the food situation and foreign trade patterns of all countries in the region; (2) The competitive position of Spanish Agriculture with respect to U.S. agricultural exports; and (3) An evaluation of the financial assistance to Danish agriculture. In addition, an article in Foreign Agriculture reviewed various aspects of agriculture in Switzerland.

Manuscripts and articles completed or nearly completed but not published are: (1) An economic framework for Common Market countries; (2) Recent developments in agriculture in Western Europe; (3) A review of U.K.-Commonwealth trade patterns; (4) The changing pattern of Greek agricultural production and trade and a review of the agricultural trade advantages expected through the Greek-EEC association agreement; and (5) A review and evaluation of the United Kingdom's agricultural support policy.

The Branch is also supervising two competition studies which are being done under contract: Grain policies in France and Germany by the Food Research Institute, Stanford University, Calif.; and Production of and trade policies for fruits and vegetables in Italy and the United Kingdom by the Giannini Foundation, University of California.

C. Eastern Europe

A comprehensive report on the agricultural situation in 1963-64 in the Soviet Union and other East European countries was the principal publication of the year. It reviewed production, agricultural policy, the food situation, and foreign trade of all countries in the region. Because of the 1963 crop failure in the Soviet Union and the large grain import requirements of this normally important exporter, special attention was given in the report and other work of the Branch to a statistical examination of production and utilization of breadgrains. This analysis strengthened the long-held

conviction that Soviet figures overestimate production and that a substantial downward adjustment, which has been practiced by the Department, is justified. The report has had a heavy public demand. A major Branch effort was the preparation (in connection with the work on the second world food budget) of food balances for the Soviet Union and all other East European countries except Albania. The Branch also actively participated in other phases of the preparation of the second world food budget. A major contribution was made by the Branch to Soviet Agriculture Today, A Report of The 1963 Agricultural Exchange Delegation. A contribution was also made to an interdepartmental study of Soviet agricultural potentialities, initiated by the State Department. The Branch contributed a section on Eastern Europe to the Division report on Agricultural Policies of Foreign Governments, Including Trade Policies Affecting Agriculture.

A statistical comparison of U.S. and Soviet agriculture was updated for the Congressional Joint Economic Committee.

An unpublished report was prepared on the foreign trade outlook of the Sino-Soviet Bloc. Considerable research was done in connection with the preparation of a statistical agricultural handbook of Eastern Europe and of a report on the oilseeds situation in the Soviet Union. In view of significant developments on the agricultural and food fronts in the USSR and the bloc countries, considerable time was devoted by members of the staff to briefing the press and other media of communication on the agricultural situation in Eastern Europe, and in supplying information to the public, the Department and other Government agencies on the subject through correspondence, lectures and interviews. Current developments in East European agriculture were discussed in articles in Foreign Agriculture.

D. Africa and the Middle East

Basic studies of the agricultural economies of the heretofore obscure regions and countries of Africa have been uppermost in the program of research of the Branch. In the period under review such research has been concluded for the United Arab Republic and Tanganyika.

The United Arab Republic aims to double its gross national product by 1970. Much emphasis is centered on increasing food production. Large quantities of agricultural products are now imported. These are principally bread-grains, vegetable oils, coarse grains, tallow, meat, tobacco leaf and dairy products. Much of the food import requirement is received from the United States under special government programs. Total U.S. agricultural exports to UAR in 1963 were valued at \$176 million--or approximately one-fourth of all that country's total imports that year. With extremely limited agricultural resources and a growing population, the United Arab Republic could provide an even larger outlet for U.S. farm products in the future.

The United Republic of Tanganyika and Zanzibar may become an increasingly significant market for U.S. farm products (largely wheat, vegetable oils, and dry milk), as well as nonfarm products. With continued foreign capital investments and loan assistance its internal economy shows a steady expansion. The United States is Tanganyika's third best customer with the United Kingdom in first and West Germany in second place for both imports and exports. Coffee is the primary product shipped to the U.S.--\$6 million worth annually. U.S. imports of the Republic's products have increased steadily over recent years and the outlook indicates a continuation of this trend.

E. Far East

Studies recently completed show that production in India has not increased appreciably for 4 successive years, and that food import requirements in India, Pakistan, and Indonesia are increasing. The Far East is the food problem area of the world, now accounting for over 90 percent of the world's food gap. The following studies are being processed for publication:

Malaysia - Survey of Agriculture - This is a study of the agricultural economies of the States that united in 1963 to form the new nation of Malaysia. The political units considered are the States of Malaya, Singapore, Sarawak and Sabah (formerly North Borneo).

North Vietnam - Agricultural Economy - This study brings together from fragmented bits of information from numerous sources a composite picture of North Vietnam under the Communists.

F. World Agricultural Situation

This report is issued annually in January. Beginning in fiscal year 1963 supplementary reports for the 5 major regions have also been published. This project appraises the outlook for the demand, supply, prices and trade for farm products in the year ahead and disseminates that information for Government and public use on a continuing basis. The report of January 2, 1964 showed farm output down 1 percent on a per capita basis, world farm exports continuing to rise, and prices of primary food products having risen slightly.

G. Agricultural Policies of Foreign Governments

Government measures taken to protect agriculture and to support prices and incomes of agricultural producers in foreign countries were analyzed to inform public and private groups how these policies affect foreign competition with, and demand for, U.S. agricultural commodities. A comprehensive report on 122 countries was issued March 1964 to update Agriculture Handbook No. 132, first published in 1957. Over the 6-year period, balance of payments pressures were lessened but strict controls over farm trade were still pervasive throughout the world as a protection to domestic agriculture.

PUBLICATIONS REPORTING RESULTS OF USDA RESEARCH

Western Hemisphere

Coyner, Mary S. Nicaragua: Recent Shifts in Farm Output and Trade, 1964. U.S. Dept. Agr. ERS-Foreign 77, 15 pages.

Davenport, Charles R. The Inter-American System. Farmer's World, The Yearbook of Agriculture, 1964. U.S. Dept. Agr. pp. 443-448.

Patty, Gordon E. Chile: Recent Trends in Agricultural Production and Trade, 1964. U.S. Dept. Agr. ERS-Foreign 84, 12 pages.

Sanderson, Agnes G. French West Indies: Agricultural Production and Trade, 1964. U.S. Dept. Agr. ERS-Foreign 80, 26 pages.

Western Hemisphere Branch, Foreign Regional Analysis Division. The 1964 World Agricultural Situation, Western Hemisphere Supplement, 1964. U.S. Dept. Agr. ERS-Foreign 71, 63 pages.

Western Europe

Schlegel, Woodrow A. Spanish Agriculture--Its Competitive Position, 1964. U.S. Dept. Agr. Foreign Agricultural Economic Report No. 18, 68 pages.

Tsu, Sheldon. Independence of Danish Agriculture, 1963. U.S. Dept. Agr. ERS-Foreign 63, 10 pages.

West European Branch. The 1964 Western Europe Agricultural Situation, 1964. U.S. Dept. Agr. ERS-Foreign 72, 85 pages.

Eastern Europe

Barnes, Carlton P., Chairman of committee that made report. Future Crop Yields and Fertilization in the Soviet Union, 1964. U.S. Dept. Agr. Economic Research Service. 103 pages.

East European Branch, Foreign Regional Analysis Division in collaboration with the Development and Trade Analysis Division and other agencies. Soviet Agriculture Today: Report of 1963 Agriculture Exchange Delegation, 1964. U.S. Dept. Agr. Foreign Agricultural Economic Report No. 13, 82 pages.

East European Branch, Foreign Regional Analysis Division. Agriculture in the U.S. and USSR, A Statistical Comparison, 1964. U.S. Dept. Agr. Economic Research Service. 9 pages.

East European Branch, Foreign Regional Analysis Division. The 1964 Eastern Europe Agricultural Situation, 1964. U.S. Dept. Agr. ERS-Foreign 73, 62 pages.

East European Branch, Foreign Regional Analysis Division. USSR Farm Production in 1963, 1964. U.S. Dept. Agr. ERS-Foreign 70, 6 pages.

Africa and Middle East

Africa and Middle East Branch. The 1964 Africa and West Asia Agricultural Situation, 1964. U.S. Dept. Agr. ERS-Foreign 75, 81 pages.

Holm, Henrietta M. Agriculture in Tunisia: Organization, Production, and Trade, 1964. U.S. Dept. Agr. ERS-Foreign 67, 36 pages.

Holm, Henrietta M. Israel's Agricultural Economy in Brief, 1964. U.S. Dept. Agr. ERS-Foreign 96, 8 pages.

Holm, Henrietta M. Turkey's Agricultural Economy in Brief, 1964. U.S. Dept. Agr. ERS-Foreign 97, 8 pages.

Singleton, Carey B. The Agricultural Economy of Tanganyika, 1964. U.S. Dept. Agr. ERS-Foreign 92, 65 pages.

Skinner, Snider W. The Agricultural Economy of the Ivory Coast, 1964. U.S. Dept. Agr. ERS-Foreign 69, 40 pages.

Skinner, Snider W. Nigeria's Agricultural Economy in Brief, 1964. U.S. Dept. Agr. ERS-Foreign 98, 8 pages.

Far East

Far East Branch, Foreign Regional Analysis Division. The 1964 Far East, Communist China, Oceania Agricultural Situation, 1964. U.S. Dept. Agr. ERS-Foreign 74, 57 pages.

Hall, William F. Agriculture in India, 1964. U.S. Dept. Agr. ERS-Foreign 64, 64 pages.

Larsen, Marion R. The Agricultural Situation and Crop Prospects in Communist China, 1963. Foreign Agricultural Economic Report No. 10, 16 pages.

Richards, Stanley I. Trends in India's Agricultural Trade, 1964. U.S. Dept. Agr. Foreign Agricultural Economic Report No. 15, 40 pages.

Spurlock, Hughes H. Trends and Developments in Japan's Economy Affecting the Market for U.S. Farm Products, 1950-62, 1964. U.S. Dept. Agr. Foreign Agricultural Economic Report No. 16, 79 pages.

World

Foreign Regional Analysis Division. Agricultural Policies of Foreign Governments - Including Trade Policies Affecting Agriculture, 1964. U.S. Dept. Agr. Agriculture Handbook No. 132, 266 pages.

Foreign Regional Analysis Division. The World Agricultural Situation, 1964. U.S. Dept. Agr. Foreign Agricultural Economic Report No. 14, 37 pages.

Ogdon, Montell. Questions to be Answered. Farmer's World, The Yearbook of Agriculture, 1964. U.S. Dept. Agr. pp. 30-36.

AREA NO. 3 - QUANTITATIVE EVALUATION OF FOREIGN PRODUCTION,
UTILIZATION AND TRADE IN FARM PRODUCTS

Problem. For appraisal of prospects for U.S. exports of farm products, the great mass of statistical detail regarding foreign production, utilization and trade must be summarized and evaluated in the form of a few statistical indicators. One indicator is a series of indices of agricultural production. Other indicators are total value of agricultural trade, U.S. share of trade, and competitors' shares. Indicators of the adequacy of the food supply in foreign countries are derived from food balances: total calories per person per day, grams of protein per person per day, etc. Preparing such indices, trade tables, and food balances requires first a careful examination of the basic data for internal consistency and for comparability from country to country or commodity to commodity.

USDA PROGRAM

The Department has for many years conducted a program to improve the statistical indicators used in its long-term projections, competition and demand studies and other foreign agricultural research. This activity has involved 9 professional man-years annually.

Two types of analyses are made which test the statistical data for quality and consistency and at the same time result in useful measures of the agricultural situation abroad. To measure trends in agricultural production in each of about 100 countries and to compare their rates of growth, the Department each year computes index numbers of agricultural production. To assess the size and quality of the food supply in foreign countries the Department also prepares food balances for about 90 countries.

The program also includes the compilation and analysis of data on agricultural trade in geographic areas where trade statistics are of special significance to U.S. export prospects, or where official data are inadequate.

PROGRESS IN USDA AND COOPERATIVE PROGRAMS

A. Production indices

In the period under review indices of agricultural production in 1963 were completed for 101 countries and work has been started on indices for 1964. Under a contract between AID and DTA Division, indices for 30 countries of crop production, area, and yield were computed, using appropriate weights for each country instead of regional-average weights, as in other indices.

B. Food balances

Food balances for 52 countries have been published, with detailed data on food supplies for the 1959-61 average and summary data for 1956-58. Similar food balances for 38 additional countries have been prepared but not published.

C. Trade

A circular is nearing completion analyzing recent U.S. agricultural trade with Western Hemisphere countries and the underlying factors. A study of agricultural trade of Mainland China has been begun, for publication in 1966. A circular is in preparation analyzing Soviet agricultural trade through 1963.

PUBLICATIONS REPORTING RESULTS OF USDA RESEARCH

Production indices

- Africa and Middle East Branch, Foreign Regional Analysis Division. Indices of agricultural production in 10 Near East countries, Dec. 1963. U.S. Dept. Agr. Economic Research Service, 20 pages.
- Africa and Middle East Branch, Foreign Regional Analysis Division. Indices of agricultural production in 28 African countries, Dec. 1963. U.S. Dept. Agr. Economic Research Service, 40 pages.
- Far East Branch, Foreign Regional Analysis Division. Indices of agricultural production for Australia and New Zealand (mimeo.), Jan. 1964. U.S. Dept. Agr. Economic Research Service, 6 pages.
- Far East Branch, Foreign Regional Analysis Division. Indices of agricultural production for the Far East and South Asia, Nov. 1963. U.S. Dept. Agr. Economic Research Service, 38 pages.
- Western Hemisphere Branch, Foreign Regional Analysis Division. Indices of agricultural production for 20 Latin American countries, Dec. 1963. U.S. Dept. Agr. Economic Research Service, ERS-Foreign 44, 32 pages.

Food balances

- Western Hemisphere Branch, Foreign Regional Analysis Division. Food balances for 24 countries of the western hemisphere, 1959-61, August 1964. U.S. Dept. Agr. Economic Research Service, ERS-Foreign 86, 32 pages.
- West European Branch, Foreign Regional Analysis Division. Food balances for 16 countries of Western Europe, 1959-61, August 1964. U.S. Dept. Agr. Economic Research Service, ERS-Foreign 87, 20 pages.
- Far East Branch, Foreign Regional Analysis Division. Food balances for 12 countries in the Far East and Oceania, 1959-61, August 1964. U.S. Dept. Agr. Economic Research Service, ERS-Foreign 88, 16 pages.
- Kirby, Riley H./with Phipard, Esther F. Nutritional Status of the World. Farmer's World, The Yearbook of Agriculture, 1964. U.S. Dept. Agr. pp. 37-43.

Trade

- Gibbons, Charles A. Background of Trade. Farmer's World, The Yearbook of Agriculture, 1964. U.S. Dept. Agr. pp. 314-320.
- Mills, Theodora. East-West Agricultural Trade. Farmer's World, The Yearbook of Agriculture, 1964. U.S. Dept. Agr. pp. 338-345.

Line Project Check List -- Reporting Period October 1, 1963 to September 30, 1964

Work & Line Project Number	Work and Line Project Titles	Work Locations During Past Year	Line Project Included in	
			Summary of Progress	Area
FRA 1	Long-range outlook for U.S. farm exports	Washington, D.C.	Yes	Area 1
-1	World food budget, by country and region	Washington, D.C.	Yes	
-2	Projection of exports of leading U.S. farm commodities	Washington, D.C.	Yes	
-3	Long-term projections of foreign supply and demand for agricultural products by country, region and for the world	Washington, D.C.	Yes	
-4	Long-term projections of foreign supply and demand for agricultural products by country in the Western Hemisphere	Washington, D.C. and visits to contractors in Western Hemisphere	Yes	
S8-FRA-1	Long-term projections of supply for selected agricultural products in Peru	Lima, Peru	Yes	
FRA 1-5	Long-term projections of foreign supply and demand for agricultural products by country in Western Europe	Washington, D.C. and visits to contractors in Western Europe	Yes	
*E4-FRA-1	Belgium: Projections of the supply, demand for, and trade of agricultural products in 1970 and 1975	Antwerp, Belgium	Yes	
FRA 1-6	Long-term projections of foreign supply and demand for agricultural products by country in Africa and the Middle East	Washington, D.C. and visits to contractors in Africa & the Middle East	Yes	
*F4-FRA-1	Long-term projections of supply and demand for selected agricultural products in the United Arab Republic	Cairo, United Arab Republic	Yes	
*F15-FRA-1	Long-term projections of supply and demand for selected agricultural products in the Republic of South Africa	Cambridge, Mass.	Yes	Area 2
*A22-FRA-1	Long-term projections of supply and demand for selected agricultural products in Turkey	Istanbul, Turkey	Yes	
FRA 1-7	Long-term projections of foreign supply and demand for agricultural products by country in the Far East and Oceania	Washington, D.C. and visits to contractors in the Far East and Oceania	Yes	
*A25-FRA-1	Long-term projections of supply and demand for selected agricultural products in the total area of the Crown Colony of Hong Kong	Kowloon, Hong Kong	Yes	
*O1-FRA-1	Long-term projections of supply of and demand for selected agricultural products in Australia	Clayton, Victoria, Australia	Yes	
FRA 2	Foreign competition and demand by country and region	Washington, D.C.	Yes	
-1	Foreign competition and demand, Western Hemisphere	Washington, D.C.	Yes	
-2	Foreign competition and demand, Western Europe	Washington, D.C.	Yes	
-3	Foreign competition and demand, Eastern Europe	Washington, D.C.	Yes	
*-4	Foreign competition and demand, Africa and Middle East	Washington, D.C.	Yes	

Work & Line Project Number	Work and Line Project Titles	Work Locations During Past	Line Project Included in	
			Summary of Progress	Area
*FX1-FRA-1	Effect of oilseed production potential in Nigeria, Congo (Leopoldville), and Senegal on United States exports to the European Economic Community	Edmonton, Alberta, Canada	Yes	Area 2
FRA 2-5	Foreign competition and demand, Far East	Washington, D.C.	Yes	
-6	World agricultural situation	Washington, D.C.	Yes	
-7	Agricultural policies of foreign countries	Washington, D.C.	Yes	
FRA 3	Quantitative evaluation of foreign production, utilization, and trade in farm products	Washington, D.C.	Yes	Area 3
-2	Food balances for foreign countries	Washington, D.C.	Yes	
-3	Improving statistical tables of trade in agricultural products by foreign countries	Washington, D.C.	Yes	
-4	Annual indices of agricultural production in foreign countries	Washington, D.C.	Yes	
*Documentation of line projects in progress.				

